

VZCZCXRO3275

PP RUEHAG RUEHAST RUEHBI RUEHCI RUEHDF RUEHIK RUEHLH RUEHLN RUEHLZ

RUEHPW RUEHROV RUEHVK RUEHYG

DE RUEHAH #0728 1581537

ZNR UUUUU ZZH

P 061537Z JUN 08

FM AMEMBASSY ASHGABAT

TO RUEHC/SECSTATE WASHDC PRIORITY 0958

INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE

RUCNCIS/CIS COLLECTIVE

RUCNMEM/EU MEMBER STATES COLLECTIVE

RUEHAK/AMEMBASSY ANKARA 3878

RUEHBJ/AMEMBASSY BEIJING 1695

RUEHKO/AMEMBASSY TOKYO 1562

RUEHIT/AMCONSUL ISTANBUL 2131

RHEHNSC/NSC WASHDC

RHMFIUU/CDR USCENTCOM MACDILL AFB FL

RUEAAIA/CIA WASHDC

RHEFDIA/DIA WASHDC

RUEKJCS/Joint STAFF WASHDC

RUEKJCS/SECDEF WASHINGTON DC

RUEHVEN/USMISSION USOSCE 2582

UNCLAS ASHGABAT 000728

SENSITIVE

SIPDIS

STATE FOR SCA/CEN, EEB

DEPT FOR EB/IFD/OIA, L/CID

ALMATY FOR STUART SCHAAAG

E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [BTIO](#) [ENRG](#) [EINV](#) [CASC](#) [OPIC](#) [TX](#)

SUBJECT: TURKMENISTAN: 2008 REPORT ON INVESTMENT DISPUTES  
AND EXPROPRIATION CLAIMS SUBMISSION

REF: STATE 43784

¶1. (U) a. Claimant A

b. 2004:

c. Claimant A concluded a contract on purchasing 3,000 tons of K-354 type carbon black at a price of \$320.00 per ton with the State Concern "Turkmen Fertilizers and Chemistry" in November 2004. During 2005, the selling organization failed to deliver the shipment to Claimant A on time, although the payment for the bulk of the purchase had been made and special sacks had been delivered to facilitate transportation. After Claimant A filed an advocacy request in December 2005, the Embassy sent a diplomatic note to the Government of Turkmenistan requesting the seller to expedite the delivery. After the embassy sent the note, the seller in early 2006 released the shipment, except for 333.5 tons, for which the payment process had been delayed. (Comment: Although the payment had been made in early 2006, Claimant A transferred the payment for the remaining 333.5 tons toward a different deal at the unofficial request of the director of "Turkmen Fertilizers and Chemistry" and in exchange for the director's promise to sell the remaining amount of carbon black at a price of USD 1,050.00. The director of Turkmen Fertilizers and Chemistry was arrested for embezzlement in late 2006. End Comment.) However, the seller refused to sell the remaining 333.5 tons, claiming that Claimant A had to pay a new price of USD 1,900.00 per ton because the payment for the remaining part of the shipment was not made earlier. The Embassy sent a diplomatic note on June 7, 2006, conveying Claimant A's letter to the Government of Turkmenistan requesting to facilitate the purchase of the remainder of the carbon black. In September 2006 Claimant A requested that post stop intervention on its behalf in pursuing any unfulfilled contracts. The company president said in an e-mail in June 2008 that the company does not have any outstanding issues.

2.(U) a. Claimant B

b. 2007:

c. Claimant B signed a contract for International Public Switched Telephone Service (speed digital circuits and voice grade circuits) with the Ministry of Communications of Turkmenistan on May 27, 1998. Claimant B claims an accumulated unsettled debt of \$1,578,684. Despite numerous efforts -- according to Claimant B's collection agency -- to negotiate Claimant B's claim with the Communications Ministry, the dispute remained unresolved. At different times ministry staff either denied the contract, or claimed they had not received monthly billing notices. In June the Embassy telephoned the ministry in an attempt to clarify its reasons for not paying. The Ministry acknowledged its contract with Claimant B and that it has outstanding debt to Claimant B, but said it disagrees on the amount it owes. The Ministry claimed that it does not have all the traffic reports (monthly billing notices) from Claimant B and that all reports (invoices) should be reconciled by the two parties in order for the Ministry to pay. The Embassy requested through Claimant B's collection agency that Claimant B supply all monthly billing notices. To date, Claimant B has not responded with the requested documentation.

¶3. (SBU) Claimant A: Amcom LLC

Claimant B: Verizon/MCI.  
HOAGLAND